

UTAH COUNTIES INDEMNITY POOL

BOARD OF TRUSTEES MEETING

Wednesday, July 17, 2013, 12:30 p.m.

10980 S. Jordan Gateway, South Jordan, UT

AGENDA

12:00 Lunch Provided

12:30 Call to Order and Welcome Attendees

Bruce Adams

ITEM INFORMATION / ACTION

1 Review/Excuse Board Members Absent

Bruce Adams

2 Review/Approve June 7, 2013 Meeting Minutes

Steve Wall

3 Review/Approve June 25, 2013 Meeting Minutes

Steve Wall

4 Ratification and Approval of Payments and Credit Card Transactions

Steve Wall

5 Review/Approve Second Quarter Financial Statements

Sonya White

6 Review/Approve Coverage Amendments

Johnnie Miller

7 Review/Approve 2014 Rates

Johnnie Miller

8 Review Amendments to Interlocal Cooperation Agreement

Johnnie Miller

9 Review/Approve Assignments for Trustee Member Contacts

Bruce Adams

10 Set Date and Time for Closed Meeting
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual

Bruce Adams

11 Action on Personnel Matters

Bruce Adams

12 Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation

Bruce Adams

13 Action on Litigation Matters

Dave Blackwell

INFORMATION

14 Chief Executive Officer's Report

Johnnie Miller

15 Other Business

Bruce Adams

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240



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Utah Counties Indemnity Pool: Board of Trustees

Entity: Utah Counties Indemnity Pool

Public Body: [Board of Trustees](#)

Subject: Administrative Procedure

Notice Title: Board of Trustees Meeting

Notice Type: Notice

Notice Date & Time: July 17, 2013 | 12:30 PM - 3:00 PM

Description/Agenda:

Call to Order and Welcome Attendees

Review/Excuse Board Members Absent

Review/Approve June 7, 2013 Meeting Minutes

Review/Approve June 25, 2013 Meeting Minutes

Ratification and Approval of Payments and Credit Card Transactions

Review/Approve Second Quarter Financial Statements

Review/Approve Coverage Amendments

Review/Approve 2014 Rates

Review Amendments to Interlocal Cooperation Agreement

Review/Approve Assignments for Trustee Member Contacts

Set Date and Time for Closed Meeting

to Discuss Character, Professional Competence, Physical/Mental Health of an Individual

Action on Personnel Matters

Set Date and Time for Closed Meeting

to Discuss Pending or Reasonably Imminent Litigation
Action on Litigation Matters
Chief Executive Officer's Report
Other Business

Notice of Special Accommodations:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, PO Box 95730, South Jordan, UT 84095, or call 800-339-4070, at least three days prior to the meeting.

Notice of Electronic or telephone participation:

Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically.

Other information:

This notice was posted on: July 16, 2013 10:42 AM

This notice was last edited on: July 16, 2013 10:42 AM

Please give us feedback

Meeting Location:

10980 S. Jordan Gateway
South Jordan , 84095

Map this!

Contact Information:

Sonya White
801-565-8500
sonya@ucip.utah.gov

Download Attachments:

- [Agenda.pdf](#) Added: 2013/07/16 10:41 AM

Audio File Address**Subscription options**



BOARD OF TRUSTEES' MEETING MINUTES

July 17, 2013, 12:30 p.m.

Utah Counties Indemnity Pool Office
10980 S. Jordan Gateway, South Jordan, Utah

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Jim Eardley, *Vice President*, Washington County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk/Auditor
David Blackwell, Emery County Attorney
Bill Cox, Rich County Commissioner
Kerry Gibson, Weber County Commissioner
Jerry Hurst, Tooele County Commissioner

Bret Millburn, Davis County Commissioner
Cameron Noel, Beaver County Sheriff
Mike Wilkins, Uintah County Clerk/Auditor

BOARD MEMBERS ABSENT

Alma Adams, Iron County Commissioner
Brad Dee, Weber County Human Resources Director
Karla Johnson, Kane County Clerk/Auditor

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer

Call to Order

Bruce Adams called this meeting, of the Utah Counties Indemnity Pool's Board of Trustees, to order at 12:30.m. on July 17, 2013 and welcomed those in attendance.

Review/Excuse Board Members Absent

Steve Wall made a motion to excuse Alma Adams, Brad Dee and Karla Johnson from this meeting. Kerry Gibson seconded the motion, which passed unanimously.

Review/ Approve June 7, 2013 Meeting Minutes

The minutes, of the Board of Trustees meeting held June 7, 2013, were previously sent to the Board Members for review (see attachment number one). Steve Wall requested that the word 'will' be deleted from the second paragraph, page two, **Review/Approve Coverage Amendments**. Bret Millburn made a motion to approve the June 7, 2013 meeting minutes as corrected. Steve Wall seconded the motion which passed unanimously.

UTAH COUNTIES INDEMNITY POOL

PO Box 95730, South Jordan, UT 84095-0730
Phone (801)565-8500 ☎ Fax (801)568-0495 ☎ ucip.utah.gov

Review/ Approve June 25, 2013 Meeting Minutes

The minutes, of the Board of Trustees telephonic conference, held June 25, 2013, were previously sent to the Board Members for review (see attachment number two). Bret Millburn made a motion to approve the June 25, 2013 telephonic conference minutes as written. Steve Wall seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

The payments made, the payments to be made and the credit card transactions were reviewed by the Board (see attachment number three). Steve Wall made a motion to approve the payments made, the payments to be made and the credit card transactions. Jim Eardley seconded the motion, which passed unanimously.

Review/Approve Second Quarter Financial Statements

The second quarter 2013 financial statements, prepared by Sonya White, Chief Financial Officer, were previously sent to the Board Members for review (see attachment number four). Sonya White explained that with the year 50% complete, losses and loss adjustment expenses are at 71% of budget but administrative expenses are only at 35% of budget. The Pool's net position at the end of the second quarter is: \$5,349,329. Language was added to Note 8 – Operating Lease Commitment, for the rate discount due to space occupied by the lessor. Kerry Gibson made a motion to approve the Second Quarter Financial Statements as prepared and presented by Sonya White. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Coverage Amendments

Johnnie Miller reported that notice of the Cyber Liability coverage enhancement was sent to Pool members and was well received; especially by the Information Technology employees.

Johnnie Miller explained that defense coverage is triggered when a lawsuit is filed. UCIP has been more proactive and has provided early defense at a notice of claims if it is apparent that a lawsuit will be filed. This practice has been beneficial and allowed for cases to be dismissed on summary judgment. Jim Eardley made a motion directing staff to draft coverage document language to include early defense for the Board to review and approve. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve 2014 Rates

Johnnie Miller explained that the Actuaries will present their rate study to the Board at its August meeting. The study assumes that all member counties will continue membership in 2014. Loss of members after calculation results in a shortfall of revenue. The Board is confident in holding rates at 2013 levels, without the rate study. Jim Eardley made a motion to approve the 2014 rates at the current levels. Jerry Hurst seconded the motion, which passed unanimously.

Review Amendments to Interlocal Cooperation Agreement

Johnnie Miller explained that the Pool has never had a large rate increase. UCIP's current contribution rate is less than half of what counties were paying to the Utah Local Governments Trust prior to the inception of the Pool in 1992. The county's organization is functioning exactly as anticipated when it was created. With the rate stabilization fund in place, Johnnie recommended that the Board include rate guarantee language in the Interlocal Cooperation Agreement. The Board would be limited to a percent rate increase in any one year without going to a full vote of the membership. Bill Cox made a motion directing staff to develop rate guarantee language to be included in the Interlocal Cooperation Agreement for the Board's review. Kerry Gibson seconded the motion, which passed unanimously.

Johnnie Miller provided the Board with additional considerations for the 'No Further Obligation to Terminating Members' language in the Interlocal Cooperation Agreement, i.e., extend notice of termination and/or termination penalty. Termination of membership was meant for un-reconcilable issues with the Pool not for a bidding process. The Board will ponder the recommendations and discuss at its next meeting.

Review/Approve Assignments for Trustee Member Contacts

Bruce Adams explained that there are so many new commissioners/council members that they are unaware of the history of UCIP and the reasons behind protecting the county's organization. The UCIP Board Members need to become more involved in educating the commissions/councils. Bill Cox commented: 'Counties joining the Utah Local Governments Trust makes as much sense as counties joining the Utah League of Cities and Towns.' The following assignments were made for Trustees to meet with County Commissions:

Alma Adams and Jim Eardley – Beaver County
Bret Millburn and Kerry Gibson – Box Elder County
Bruce Adams and Mike Wilkins – Carbon County
Bruce Adams – Juab County
Jim Eardley and Kerry Gibson – Millard County
Bill Cox and Bret Millburn – Tooele County
Bruce Adams and Bill Cox – Uintah County

The National Association of Counties annual conference is this week, which will give attending Trustees opportunities to educate member county commissioners/council members. David Blackwell will educate the county attorneys.

Set Date and Time for Closed Meeting

Bret Millburn made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Jerry Hurst seconded the motion, which passed unanimously.

Action on Personnel Matters

Bret Millburn made a motion to strike agenda item: *Action on Personnel Matters*. Jerry Hurst seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

David Blackwell made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation*. Mike Wilkins seconded the motion, which passed unanimously.

Action on Litigation Matters

David Blackwell made a motion to strike agenda item: *Action on Litigation Matters*. Mike Wilkins seconded the motion, which passed unanimously.

Chief Executive Officer's Report

Johnnie Miller reported that he provided training and met with commissioners in Box Elder, Daggett and Millard Counties. He attended the Utah PRIMA luncheon and presented at the Clerk/Auditors Workshop. Upon request of the USACCC executive committee, the Utah Association of Counties invited UCIP to submit an article to the County Voice. Johnnie will submit an article that applies/affects all counties. UCIP staff continues to gather data for the 2014 underwriting process and continues to have issues with the website database. Johnnie notified the Board that he has approved expending monies to hire temporary help to complete the renewal process.

Other Business

The next meeting of the Board of Trustees will be held Thursday, August 15, 2013, 12:30 p.m. at the UCIP Offices in South Jordan, UT.

Approved on this 15th day of August 2013


Steve Wall, Secretary/Treasurer

Utah Counties Indemnity Pool

Payments

June 8 - July 17, 2013

Type	Date	Num	Name	Memo	Amount
ML Expense					
Liability Check	06/13/2013		QuickBooks Payroll Service	Created by Payroll Service on 06/09/2013	-13,046.64
Liability Check	06/27/2013		QuickBooks Payroll Service	Created by Payroll Service on 06/24/2013	-13,046.67
Liability Check	07/12/2013		QuickBooks Payroll Service	Created by Payroll Service on 07/11/2013	-13,167.19
Check	06/30/2013			Service Charge	-63.85
Liability Check	06/13/2013	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270356480759911	-5,094.60
Liability Check	06/25/2013	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 27035622845976	-5,094.54
Liability Check	06/25/2013	ONLINE	Utah State Tax Commission	Confirmation Number: 0-133-952-000	-1,715.08
Liability Check	06/25/2013	ONLINE	Utah Retirement Systems	Confirmation Number: 062438197812	-6,602.37
Liability Check	06/26/2013	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-1,536.71
Liability Check	07/15/2013	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270359684260210	-5,146.68
Check	06/26/2013	VISA	Wells Fargo	Account Number: 4856 2002 0893 3427	-89.20
Check	06/26/2013	VISA	Wells Fargo	Account Number: 4856 2002 0207 3691	-1,273.34
Check	06/26/2013	VISA	Wells Fargo	Account Number: 4856 2002 0207 3675	-1,062.51
Liability Check	06/14/2013	6767	Opticare of Utah	Invoice Number: 36639	-55.35
Liability Check	06/14/2013	6768	Public Employees Health Program	Policy Number 1076 (May)	-5,520.71
Check	06/14/2013	6769	Bruce Adams	Expense Reimbursement	-405.40
Check	06/14/2013	6770	David Blackwell	Mileage Reimbursement	-180.80
Check	06/14/2013	6771	Bill Cox	Mileage Reimbursement	-229.39
Check	06/14/2013	6772	Brad Dee	Mileage Reimbursement	-423.75
Check	06/14/2013	6773	Jim Eardley	Expense Reimbursement	-427.20
Check	06/14/2013	6774	Jerry Hurst	Expense Reimbursement	-253.42
Check	06/14/2013	6775	Karla Johnson	Mileage Reimbursement	-424.88
Check	06/14/2013	6776	Bret Millburn	Mileage Reimbursement	-210.18
Check	06/14/2013	6777	Cameron Noel	Mileage Reimbursement	-307.09
Check	06/14/2013	6778	Steven Wall	Mileage Reimbursement	-265.55
Bill Pmt -Check	06/14/2013	6779	Christensen & Jensen	Invoice Number: 74591	-506.49
Bill Pmt -Check	06/14/2013	6780	Revco Leasing Company, LLC	Invoice Number: 328940	-510.91
Bill Pmt -Check	06/14/2013	6781	Vickie Jackson	Invoice Number: 5481	-333.18
Bill Pmt -Check	06/14/2013	6782	Whitney Advertising & Design, Inc.	Invoice Number: 16852	-20.00
Check	06/27/2013	6783	PEHP-LTD	Coverage Period: JUN 2013	-215.60
Check	06/27/2013	6784	Johnnie R. Miller	Expense Reimbursement	-331.29
Bill Pmt -Check	06/27/2013	6785	Fluid Advertising	Invoice Number: 2061	-200.00
Bill Pmt -Check	06/27/2013	6786	Nielsen & Senior	Invoice Number: 23179	-577.50
Bill Pmt -Check	06/27/2013	6787	Whitney Advertising & Design, Inc.	Invoice Number: 16659	-705.18
Bill Pmt -Check	06/27/2013	6788	Fluid Advertising	Invoice Number: 2113	-120.00
Bill Pmt -Check	07/01/2013	6789	County Reinsurance, Limited	UCIP Property Reinsurance Jul 2013 - Jul 2014	-487,417.00
Bill Pmt -Check	07/01/2013	6790	End Point Corporation	Invoice Number: UC1302	-60.00
Bill Pmt -Check	07/01/2013	6791	Paetec	Invoice Number: 5625573	-696.26
Bill Pmt -Check	07/01/2013	6792	Utah Association of Counties	Invoice Number: 4300	-2,167.50
Bill Pmt -Check	07/01/2013	6793	Western AgCredit	Invoice Number: 7-2013	-10,471.00
Check	07/09/2013	6794	Kathleen M. Liuzzi	Mileage Reimbursement	-552.57
Liability Check	07/10/2013	6795	Public Employees Health Program	Policy Number 1076 (Jun)	-5,520.71
Check	07/10/2013	6796	Juan Ramirez	TULIP Event Refund (Overpayment)	-10.00
Bill Pmt -Check	07/10/2013	6797	AGRIIP	Account Number: 393	-1,222.37
Bill Pmt -Check	07/10/2013	6798	Arthur J. Gallagher & Co.	Invoice Number: 559372	-4,267.81
Bill Pmt -Check	07/10/2013	6799	HCA Asset Management, LLC	Invoice Number: 13-0049	-70,850.00
Bill Pmt -Check	07/10/2013	6800	Les Olson Company	Invoice Number: EA463864	-88.62
Bill Pmt -Check	07/10/2013	6801	Revco Leasing Company, LLC	Invoice Number: 332081	-435.91

Utah Counties Indemnity Pool Payments June 8 - July 17, 2013

Type	Date	Num	Name	Memo	Amount
Liability Check	07/16/2013	6802	Opticare of Utah	Invoice Number: 37797	-55.35
Check	07/17/2013	6803	Bruce Adams	Expense Reimbursement	-395.80
Check	07/17/2013	6804	Mike Wilkins	Expense Reimbursement	-351.80
Bill Pmt -Check	07/17/2013	6805	Arthur J. Gallagher & Co.	Invoice Number: 578644	-2,219.00
Bill Pmt -Check	07/17/2013	6806	By The Numbers Actuarial Consultin...	Invoice Number: 2013-114	-2,000.00
Bill Pmt -Check	07/17/2013	6807	County Reinsurance, Limited	UCIP Cyber Liability Jul 2013 - Dec 2013	-8,719.00
Bill Pmt -Check	07/17/2013	6808	Office Depot	Invoice Number: 661405388001	-235.74
Bill Pmt -Check	07/17/2013	6809	Pitney Bowes Global Financial Servic...	Invoice Number: 1528795-JY13	-199.00
Bill Pmt -Check	07/17/2013	6810	Purchase Power	Account Number: 8000-9090-0189-5759	-250.00
Bill Pmt -Check	07/17/2013	6811	Utah Prosecution Council	Kathe Liuzzi UPC Registration	-75.00
Total ML Expense					-677,423.69
TOTAL					-677,423.69



Utah Counties Indemnity Pool

FINANCIAL STATEMENTS

Quarter Ending June 30, 2013

Utah Counties Indemnity Pool

Second Quarter 2013 Financial Statements

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transaction of the Utah Counties Indemnity Pool as of 04/30/13 and accompanying notes to basic financial statements.

Sonya White
Chief Financial Officer
801-307-2113
sonya@ucip.utah.gov

Reviewed this ____ day of _____, 2013

By: _____

UTAH COUNTIES INDEMNITY POOL

STATEMENT of NET POSITION

June 30, 2013

	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2012</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 12,069,775	\$ 10,594,020	\$ 12,110,503
Accounts receivable	516,834	1,505	19,799
Reinsurance recoverable	273,268	332,617	151,300
Prepaid expenses	549,075	269,018	302,815
TOTAL CURRENT ASSETS	<u>13,408,952</u>	<u>11,197,160</u>	<u>12,584,416</u>
INVESTMENTS	2,011,640	2,417,379	2,775,056
PROPERTY AND EQUIPMENT	34,715	42,448	50,180
OTHER ASSETS			
Land held for investment	526,778	526,778	526,778
Security deposits	11,336	11,336	11,336
TOTAL ASSETS	<u><u>\$ 15,993,421</u></u>	<u><u>14,195,101</u></u>	<u><u>15,947,766</u></u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Reserves for losses and loss adjustment expenses	\$ 8,047,088	\$ 7,748,687	\$ 7,479,264
Accounts payable	2,864	5,455	11,927
Accrued expenses	51,314	52,702	51,000
Contributions paid in advance	2,542,827	440,882	3,140,626
TOTAL CURRENT LIABILITIES	<u>10,644,093</u>	<u>8,247,726</u>	<u>10,682,817</u>
TOTAL LIABILITIES	<u>10,644,093</u>	<u>8,247,726</u>	<u>10,682,817</u>
NET POSITION			
Net investment in capital assets	38,582	42,448	89,848
Claim Reserve Deterioration Fund	200,000	-	-
Rate Stabilization Fund	200,000	-	-
Unrestricted	4,910,747	5,904,927	5,175,101
TOTAL NET POSITION	<u>5,349,329</u>	<u>5,947,375</u>	<u>5,264,949</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 15,993,421</u></u>	<u><u>\$ 14,195,101</u></u>	<u><u>\$ 15,947,766</u></u>

UTAH COUNTIES INDEMNITY POOL
STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION
June 30, 2013

	<u>Jun 30, 2013</u>	<u>Budget</u>	<u>Over Budget</u>	<u>% of Budget</u>
OPERATING INCOME				
Contributions	\$ 2,542,827	5,085,654	\$ (2,542,827)	50%
Investment income	40,153	105,000	(64,847)	38%
Other income	10,234	18,000	(7,766)	57%
TOTAL OPERATING INCOME	<u>2,593,214</u>	<u>5,208,654</u>	<u>(2,615,440)</u>	<u>50%</u>
UNDERWRITING EXPENSES				
Losses and loss adjustment expenses	1,967,634	2,779,000	(811,366)	71%
Reinsurance coverage	760,147	1,565,980	(805,833)	49%
TOTAL UNDERWRITING EXPENSES	<u>2,727,780</u>	<u>4,344,980</u>	<u>(1,617,200)</u>	<u>63%</u>
ADMINISTRATION EXPENSES				
Board of Trustees	17,995	40,000	(22,005)	45%
Depreciation	7,732	15,000	(7,268)	52%
Dividend expense	-	91,828		
Loss control	14,390	50,000	(35,610)	29%
Marketing	7,529	16,000	(8,471)	47%
Office operations	88,643	210,000	(121,357)	42%
Professional services	27,001	215,254	(188,253)	13%
Staff	294,244	675,000	(380,756)	44%
TOTAL ADMINISTRATION EXPENSES	<u>457,535</u>	<u>1,313,082</u>	<u>(763,719)</u>	<u>35%</u>
TOTAL OPERATING EXPENSES	<u>3,185,315</u>	<u>5,658,062</u>	<u>(2,380,919)</u>	<u>56%</u>
NET OPERATING INCOME	<u>(592,101)</u>	<u>(449,408)</u>	<u>(234,521)</u>	<u>132%</u>
OTHER INCOME (EXPENSES)				
Loss on sale of capital assets	-			
Unrealized loss on marketable securities	(5,946)			
TOTAL OTHER INCOME	<u>(5,946)</u>			
CHANGE IN NET POSITION	(598,047)			
NET POSITION AT BEGINNING OF YEAR	<u>5,947,375</u>			
NET POSITION AT END OF QUARTER	<u>\$ 5,349,329</u>			

UTAH COUNTIES INDEMNITY POOL

STATEMENTS of CASH FLOWS

June 30, 2013

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions collected	\$ 4,129,442	\$ 7,036,931
Other fees collected	10,234	20,943
Reinsurance paid	(1,040,204)	(1,608,355)
Losses and loss expenses paid	(1,609,884)	(2,970,063)
Cash paid to employees	(295,632)	(586,981)
Other administrative expenses paid	(158,148)	(437,868)
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,035,809	1,454,607
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (purchase) of investments	405,738	757,352
Investment income	34,207	120,361
NET CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES	439,946	877,713
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Purchases of capital assets	-	(564)
NET CASH USED BY CAPITAL AND FINANCING ACTIVITIES	-	(564)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,475,755	2,331,756
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10,594,020	8,262,264
CASH AND CASH EQUIVALENTS AT END OF QUARTER/YEAR	\$ 12,069,775	\$ 10,594,020
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net position	\$ (598,047)	\$ 214,356
Adjustments to reconcile change in net position to net cash flows from operating activities		
Depreciation	7,732	15,441
Interest on investments	(40,153)	(116,320)
Decrease in equity in Zions	-	-
Increase in equity in CRL	-	(296,186)
Unrealized gain on investments	5,946	(4,041)
Loss on disposal of equipment	-	191
Accounts receivable	(515,330)	1,511,873
Prepaid expenses	(280,057)	(34,248)
Reinsurance recoverable	59,349	(181,317)
Reserves for loss and loss adjustment expenses	298,401	1,090,343
Accounts payable	(2,590)	(1,487)
Accrued expenses	(1,387)	13,011
Contributions paid in advance	2,101,945	(757,009)
Total adjustments	1,633,856	1,240,251
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 1,035,809	\$ 1,454,607

The accompanying notes are an integral part of the financial statements.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Utah Counties Indemnity Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. In January 2012, the Pool was renamed the Utah Counties Indemnity Pool. The Pool is a non-profit Interlocal entity formed under Section 11-13-101 et. seq. *Utah Code Annotated, 1953* as amended, operated as a joint liability reserve fund under Section 63G-7-703 and 801 for counties who enter into the Interlocal agreement that creates UCIP. The Pool is referred to as a: "public agency insurance mutual" under the insurance statutes of the State of Utah, Section 31A-1-103(7). All of the Pool's business activities are conducted in the State of Utah.

Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The Pool has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB Statement 34), GASB Statement No. 37, Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. The Pool has also adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures and GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of these statements, the Pool has prepared required supplementary information titled "Management's Discussion and Analysis" which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net position as net invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. The following is a summary of the more significant policies.

Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund and cash on deposit are considered to be cash equivalents.

Investments

Investments are comprised of various U.S. Government securities, certificates of deposit and investments in County Reinsurance Limited (CRL).

Investments in U.S. Government securities as of June 30, 2013 consist of held-to-maturity securities. Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

The investments in CRL are valued using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL which represents its share of the undistributed earnings or losses of CRL.

Land Held for Investment

The Pool purchased land in October of 2007 with the intent of building office space to house Pool employees and conduct board meetings and training. In September 2008, the Board determined to hold the land as an investment for future sale instead.

UTAH COUNTIES INDEMNITY POOL
NOTES to FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Paid in Advance

Contributions paid by members prior to January 1 of the next calendar year are considered to be deferred until January 1 and are reported as liabilities in the statement of net assets.

Contributions

Contributions are collected annually on January 1.

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the current year, as of the quarter ending June 30, 2013, amounted to \$7,732.

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are reviewed quarterly and any adjustments are reflected in the period determined.

Subsequent Events

Management of the Pool has evaluated subsequent events through June 30, 2013. No subsequent events were noted during this evaluation that required recognition or disclosure in these financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Listed below is a summary of the cash and investment portfolios as of June 30, 2013. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes including the Utah Money Management Act.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Cash and Cash Equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is \$860,548 as of June 30, 2013. The corresponding bank balance of the deposits was \$598,900 as of June 30, 2013. All of the Pool's cash on deposit bank accounts are noninterest-bearing. Beginning January 1, 2013, all noninterest-bearing and other depositors' accounts will be aggregated and insured up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category.

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund, but the PTIF is subject to oversight by the Utah Money Management Council and all investments in PTIF are considered to be in compliance with the Utah Money Management Act. The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on any entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah.

Zions Wealth Advisors DBA Contango Capital Advisors is a Certified Investment Advisory Firm subject to oversight by the Utah Money Management Council and all investments with Zions Wealth Advisors are considered to be in compliance with the Utah Money Management Act. The maximum final maturity of securities that meet the criteria in Utah Code Ann. §51-7-11, invested in by Zions Wealth Advisors, is limited to three years. The maturity of securities, invested in by Zions Wealth Advisors, that meet the criteria in Utah Code Ann. §51-7-17, do not exceed the anticipated date of the expenditure of public funds. Zions Wealth Advisors Investments are not insured or otherwise guaranteed.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2013, all of the Pool's bank balances were fully insured by the FDIC.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

As of June 30, 2013, the Pool's cash and cash equivalents and investments included the following:

	<u>2013</u>	<u>2012</u>
Cash on deposit	\$ 598,900	\$ 3,323,091
Public Treasurers' Investment Fund	10,128,856	6,338,084
Zions Wealth Advisors	1,342,019	932,845
Total cash and cash equivalents	<u>12,069,775</u>	<u>10,594,020</u>
Investments - U.S. government securities	700,013	1,105,752
Equity investment in County Reinsurance Limited	1,311,627	1,311,627
Land held for sale	526,778	526,778
Total investments	<u>2,538,418</u>	<u>2,944,157</u>
Total cash and cash equivalents and investments	<u>\$14,608,193</u>	<u>\$13,538,177</u>

Investments

The Pool records its investments in U.S. Government Securities at market value. The Pool records investments with County Reinsurance Limited (CRL) using the equity method of accounting. Investments in CRL are confirmed annually. All other investments are through the Public Treasurers Investment Fund (PTIF). The differences between book value and fair value, as of June 30, 2013, are as follows:

<u>2013</u>	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Statement Value</u>
Securities	\$ 705,959	\$ -	\$ (5,946)	\$ 700,013	\$ 700,013
Equity	1,311,627	-	-	1,311,627	1,311,627
Land	526,778	-	-	526,778	526,778
Total investments	<u>\$ 2,544,364</u>	<u>\$ -</u>	<u>\$ (5,946)</u>	<u>\$ 2,538,418</u>	<u>\$ 2,538,418</u>

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Pool's policy for managing interest rate risk is to comply with the State Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. The Pool manages its exposure to declines in fair value by investing in the Public Treasurers' Investment Fund (PTIF) and other securities and by adhering to the Act. Following are the Pool's investments at June 30, 2013:

Investment Type	Carrying Amount and Fair Value	Investment Maturities (in years)	
		Less than 1	1-5
Debt securities:			
Corporate bonds	\$ 700,013	\$ 352,398	\$ 347,615
Other investments:			
CRL equity	1,311,627		
Land	526,778		
Total Other Investments	1,838,405		
Total investments	\$ 2,538,418		

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Pool's policy for limiting the credit risk of investments is to comply with the Money Management Act.

Investments are categorized into these three categories of credit risk:

Category 1 - Insured or registered, or securities held by the Pool or its agent in the Pool's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Pool's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, not in the Pool's name.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of June 30, 2013, investments in U.S. government securities in the amount of \$700,013 are considered to be Category three securities. As of June 30, 2013, Public Treasurers Investment Fund (PTIF) investments, equity investments in County Reinsurance Limited (CRL) and land held for sale in the total amount of \$11,967,260 are uncategorized investments.

NOTE 3 - INVESTMENT INCOME

Investment income is comprised of the following as of June 30, 2013:

	<u>2013</u>	<u>2012</u>
Interest:		
Bonds	\$ 9,381	\$30,547
Equity	-	296,186
Cash	<u>30,772</u>	<u>85,773</u>
Total interest income	<u>\$ 40,153</u>	<u>\$412,506</u>
Cash received:		
Bonds	\$ (5,946)	\$4,433
Cash	<u>30,772</u>	<u>85,773</u>
Total cash received	<u>24,826</u>	<u>90,206</u>
Noncash adjustments:		
Equity	-	296,186
Change in accrued interest	16,067	20,757
Amortization	<u>(740)</u>	<u>5,357</u>
Total noncash adjustments	<u>15,327</u>	<u>322,300</u>
Total investment income	<u>\$ 40,153</u>	<u>\$412,506</u>

NOTE 4 - INTEREST RATES

The interest rate for assets held with the Utah Public Treasurers' Investment Fund was .4977% as of June 30, 2013.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 5 - CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are as follows:

<u>2013</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Office furniture and equipment	\$ 167,190	\$ -	\$ -	\$ 167,190
Total capital assets, being depreciated	167,190	-	-	167,190
Less accumulated depreciation for:				
Office furniture and equipment	(124,742)	(7,732)	-	(132,474)
Total accumulated depreciation	(124,742)	(7,732)	-	(132,474)
Total capital assets being depreciated, net	42,448	(7,732)	-	34,716
Total capital assets, net	\$ 42,448	\$ (7,732)	\$ -	\$ 34,716
<u>2012</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets:				
Office furniture and equipment	\$ 293,452	\$ 564	\$ (126,826)	\$ 167,190
Total capital assets	293,452	564	(126,826)	167,190
Less accumulated depreciation:				
Office furniture and equipment	(203,604)	(15,441)	94,303	(124,742)
Total accumulated depreciation	(203,604)	(15,441)	94,303	(124,742)
Total Capital Assets	\$ 89,848	\$ (14,877)	\$ (32,523)	\$ 42,448

NOTE 6 - REINSURANCE

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities of the Pool are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of \$1,261,960 as of June 30, 2013. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

Reinsurance Recoverables on Aggregate Losses

The Pool has reinsurance recoverables on aggregate policies (1992-2002) in the amount of \$273,268 from its reinsurers for accrued losses as of June 30, 2013.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 6 - REINSURANCE (Continued)

Unsecured Reinsurance Recoverables

There are no letters of credit, trust agreements or funds withheld on reinsurance recoverables. The amount of \$1,247,483 exceeds three percent of the Pool's surplus and is considered unsecured recoverables on known claims.

Reinsurance Recoverable in Dispute

As of June 30, 2013, the Pool does not have any disputed balances or uncollectible funds.

NOTE 7 - RETIREMENT PLANS

Cost-Sharing Defined Benefits Pension Plan:

Plan Description. The Pool contributes to the Local Governmental Public Employees' Noncontributory Retirement System (Noncontributory System), which is a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (URS). The URS provide refunds, retirement benefits, annual cost of living adjustment, and death benefits to plan members and beneficiaries in accordance with Title 49 of Utah Code Annotated 1953 as amended.

The Noncontributory System is established and governed by Chapter 13, Title 49 of Utah Code Annotated 1953 as amended. Utah Code Ann. §49-11-202, as amended, provides for the administration of the URS and any System under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The URS issues a publicly available financial report that includes financial statements and required supplementary information for the Noncontributory System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 E. 200 S., Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy. The Pool is required to contribute 16.04 percent of covered salary to the Noncontributory System. The contribution rates are determined by URS using actuarial analysis. The contribution requirements of the Noncontributory System are authorized pursuant to Utah Code Ann. §49-13-301, as amended, and specified by the Utah State Retirement Board. The Pool's contribution to the Noncontributory System as of June 30, 2013 was \$32,382. The contributions were equal to the required contributions for each year. The Pool has no further liability once contributions are made.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 7 - RETIREMENT PLANS (Continued)

Defined Contribution Pension Plans:

The Pool contributes an amount equal to the amount contributed by the employee into a 401(k) plan (administered by the Utah State Retirement Systems) and/or a 457 plan (administered by Nationwide Retirement Solutions), not to exceed five percent of the employee's eligible payroll. The total retirement expense for the Pool as of June 30, 2013 was \$3,824.

NOTE 8 - UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased as of June 30, 2013, by approximately \$298,401 as a result of re-estimation of unpaid losses and loss adjustment expenses. This change is the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

The unpaid claims, losses and loss adjustment expenses of the Pool are as follows:

Beginning balance	\$ 7,748,687
Incurred loss:	
Current year	1,830,000
Prior year	<u>8,727,580</u>
Change in total incurred	<u>10,557,580</u>
Paid:	
Current year	219,705
Prior year	<u>18,086,562</u>
Total paid	<u>18,306,267</u>
Balance at June 30	<u>\$ 8,047,088</u>

NOTE 8 - OPERATING LEASE COMMITMENT

On September 4, 2008, the Pool entered into a seven year commitment to lease office space. The lease commenced in February 2009 at which time the Pool occupied the premises. The Pool's lease rate was discounted in May 2013 due to 5.44% of the office space occupied by the lessor. The Pool paid \$65,130 in rent as of June 30, 2013.

UTAH COUNTIES INDEMNITY POOL

NOTES to FINANCIAL STATEMENTS

June 30, 2013

NOTE 8 - OPERATING LEASE COMMITMENT (Continued)

Future minimum rental commitments for the building operating lease are as follows:

2013	\$ 127,956
2014	129,107
2015	132,981
2016	<u>22,942</u>
Total minimum lease payments	<u>\$ 412,986</u>

NOTE 9 - CLAIM RESERVE DETERIORATION FUND

Pursuant to the Net Asset Management Policy, the Board has allocated \$200,000 of unrestricted monies to the Claim Reserve Deterioration fund to be used to guard against deteriorating reserves if actual claim costs exceed actuarial estimates.

NOTE 10 - RATE STABILIZATION FUND

Pursuant to the Net Asset Management Policy, the Board has allocated \$200,000 of unrestricted monies to the Rate Stabilization fund to be utilized to cover temporary or unexpected expenses, particularly reinsurance expense, to avoid temporary rate fluctuation.

NOTE 11 - CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

Balance Sheet Classification (ZWA-UCIP)

6/30/2013

Dated: 7/16/2013

Cash Equivalent (3)

65.72%

1,342,019.39

Cusip/ISIN	Description	Curr Face	Sector	Rating	Coupon	Maturity	Eff Maturity	Pur Yield	Yield	Orig Cost	Amort Cost	Unreal G/L	Price	Accr Int	Fair Value	Mkt Value
654080001	UT St Treasurer's Public Inv Pool A	1,392,111.06	Cash	NAN/NANA	0.000	—	—	0.000	0.000	1,392,111.06	1,392,111.06	0.00	1,000	0.00	1,392,111.06	1,392,111.06
CCYUSD	Net Receivables/Payables	-49,437.19	Cash	AAA/Aaa/AAA	0.000	—	—	0.000	0.000	-49,437.19	-49,437.19	0.00	1,000	0.00	-49,437.19	-49,437.19
CCYUSD	US Dollar	-654.48	Cash	AAA/Aaa/AAA	0.000	—	—	0.000	0.000	-654.48	-654.48	0.00	1,000	0.00	-654.48	-654.48
—	—	1,342,019.39	—	—	—	—	—	0.000	0.000	1,342,019.39	1,342,019.39	0.00	—	0.00	1,342,019.39	1,342,019.39

Marketable Securities (10)

34.28%

700,013.26

Cusip/ISIN	Description	Curr Face	Sector	Rating	Coupon	Maturity	Eff Maturity	Pur Yield	Yield	Orig Cost	Amort Cost	Unreal G/L	Price	Accr Int	Fair Value	Mkt Value
06051GEF2	BANK OF AMERICA CORP	100,000.00	Financial	A-/Baa2/A	1.696	01/30/2014	01/30/2014	1.035	0.768	100,925.00	100,401.27	162.73	100.564	292.02	100,564.00	100,556.02
313383HX2	FEDERAL HOME LOAN BANK	50,000.00	Agency	AA+/Aaa/AAA*	1.625	06/19/2018	06/19/2018	1.625	1.949	50,000.00	50,000.00	-763.50	98.473	27.08	49,236.50	49,263.58
313383LN9	FEDERAL HOME LOAN BANK	100,000.00	Agency	AA+/Aaa/AAA*	1.800	06/26/2018	06/26/2018	1.800	1.875	100,000.00	100,000.00	-356.00	99.644	25.00	99,644.00	99,669.00
3134G47G7	FREDDIE MAC	50,000.00	Agency	AA+/Aaa/AAA	1.400	06/26/2018	06/26/2018	1.410	1.825	49,975.00	49,975.07	-985.07	97.980	9.72	48,990.00	48,999.72
3134G47M4	FREDDIE MAC	50,000.00	Agency	AA+/Aaa/AAA	1.500	06/26/2018	06/26/2018	1.500	1.825	50,000.00	50,000.00	-772.50	98.455	10.42	49,227.50	49,237.92
3134G48X5	FREDDIE MAC	50,000.00	Agency	AA+/Aaa/AAA	2.200	07/24/2018	10/24/2013	2.200	0.227	50,000.00	50,000.00	246.50	100.493	91.67	50,246.50	50,338.17
36962G4W1	GENERAL ELEC CAP CORP	100,000.00	Financial	AA+/A1/NR	1.130	01/07/2014	01/07/2014	1.559	0.654	99,205.00	99,792.51	469.49	100.262	263.76	100,262.00	100,525.76
38143USB8	GOLDMAN SACHS GROUP INC	100,000.00	Financial	A-/A3/A	1.273	02/07/2014	02/07/2014	2.401	0.695	97,842.00	99,345.79	1,022.21	100.368	194.50	100,368.00	100,562.50
449786AN2	ING BANK NV	50,000.00	Financial	A-/A2/A+	1.674	06/09/2014	06/09/2014	0.981	0.838	50,508.74	50,334.29	70.71	100.810	48.83	50,405.00	50,453.83
61746BDH6	MORGAN STANLEY	50,000.00	Financial	A-/Baa1/A	1.523	02/25/2016	02/25/2016	1.250	1.524	50,402.00	50,383.78	-355.28	100.057	78.25	50,028.50	50,106.75
—	—	700,000.00	—	—	—	—	—	1.611	1.150	698,857.74	700,232.71	-1,260.71	—	1,041.26	698,972.00	700,013.26

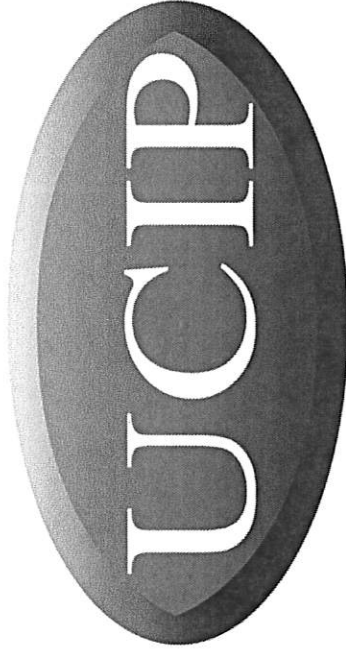
Summary

2,042,032.65

Total Orig Face / Shares	Total Curr Face / Shares	Yield	Purchase Yield	Total Orig Cost	Total Book Value	Total Amort Cost	Total Unreal G/L	Total Accr Int	Total Fair Value	Total Mkt Value
2,042,019.39	2,042,019.39	0.39	0.55	2,040,877.13	2,043,293.36	2,042,252.10	-1,260.71	1,041.26	2,040,991.39	2,042,032.65

Disclaimer

This report is for informational purposes only and should not be used for auditing or other official business.
Please refer to the official Custodial Statement issued by Western National Trust Company (WNTC).



Utah Counties Indemnity Pool
Serving Counties Since 1992

Board of Trustees

July 17, 2013

2014 Coverage Amendments

- ✓ Cyber Liability

- Defense Trigger at Notice of Claim

2014 Contribution Rates

- Rate Study will be available from actuary in August
- Contributions traditionally provided by end of August
- Contribution calculation assumes all members are continuing in program. Loss of members after calculation results in shortfall of revenue

2014 Contribution Calculation

- Updated information was due June 30.
- Many members have not provided updated information.
- Actuary cannot begin rate study without all updated information
- Rate study may not be available by August

2014 Contribution Rates

- Rate Study will be available from actuary in August
- Contributions traditionally provided by end of August
- Contribution calculation assumes all members are continuing in program. Loss of members after calculation results in shortfall of revenue

2014 Contribution Rates

- Tooele County has already begun bidding process
- Four additional counties have requested loss data
- Carbon County has indicated they plan to go to bid every year

2014 Contribution Rates, cont...

- Expenses
 - Assume loss of some members and increase rates to account for that loss
 - Assume no loss and cover shortfall with surplus
- Rates
 - If Board is confident in holding rates at 2013 levels, without the rate study, that decision can be made now

Interlocal Agreement

- ✓ Replace “No Further Obligation to Terminating Members” language
- Extend Notice of Termination date to address expense shortfall issue
 - Or Termination penalty of one year’s expenses
- Provide Rate Guarantee of X% without vote of full membership

Member Contacts

- Financial Strength
 - Limited Rate Increases (only small increase to Auto Liability)
 - Improved Investment Income (Use of Zions Wealth Management)
 - Reduced Administrative Expenses (over 20%)
 - Result was to double Equity in 3 year period to meet Equity goal
 - Dividends issued by board
- Coverage Enhancements
 - Increased Flood and Earthquake limits (w/o rate increase)
 - Increased Liability Limits (from \$2.5mm to \$5mm w/o rate increase)
 - Land Use Coverage Expanded (full limits available with no limitation on defense w/o rate increase)
 - Cyber Liability added (w/o rate increase)



Member Contacts, cont...

- Services
 - Added Fair and Special Events Workshop
 - Expanded Planning and Zoning Workshop
 - Implemented Risk Awareness Program
 - Included Utah Safety Council Memberships
 - Expanded Safety Services with WCF Program
 - Implemented Property Appraisal Program (\$90,000/year)
 - Expanded Legal Hotlines with Group Homes and Jails (also provide Personnel and Land Use Hotlines)

CEO Report

- Attended Utah PRIMA meeting
- Met with Millard County on Personnel issues
- Met with Box Elder Commission and provided Department Head Training
- Attended USACCC conference
- Presented at Clerk/Auditor's Workshop
- Met with Daggett Commission and provided Department Head Training

